

**UMHLABUYALINGANA UMASIPALA WASEKHAYA
UMHLABUYALINGANA LOCAL MUNICIPALITY**

**FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2012**

UMHLABUYALINGANA LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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UMHLABUYALINGANA LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE

GENERAL INFORMATION

Mayor	Cllr. T.S Mkhombo
Deputy Mayor	Cllr. M.N Nxumalo
Speaker	Cllr. N.S Mthembu
Exco Members	Cllr. N.S. Mthethwa Cllr. B.T. Tembe Cllr. M.S. Mabika Cllr. T.A Zikhali

Capacity of Municipality

Medium Capacity Municipality

Auditors

The Auditor-General of South Africa
Private Bag X9034
PIETERMARITZBURG
3200

GENERAL INFORMATION (continued)

Bankers

First National Bank of South Africa

Registered office: Municipal Building, Kwangwanase

Physical address: Main Street
Manguzi

Postal address: Private Bag X 901
KwaNgwanase
3973

Telephone Number: 035 - 592 0680

Fax Number: 035 - 592 0672

Municipal Manager

Mr. S.E Bukhosini

Chief Financial Officer

Mr. N.P.E Myeni

2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

REPORT OF THE AUDITOR-GENERAL OF SOUTH AFRICA

30 JUNE 2012

The report of the Auditor-General will be inserted after the audit.

STATEMENT OF THE MUNICIPAL MANAGER'S RESPONSIBILITY

UMHLABUYALINGANA LOCAL MUNICIPALITY ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statement and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statement fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the annual financial statements.

The annual financial statements have been prepared in accordance with South African Statement of General Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgment and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These control are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances are above reproach. The focus of risk management in the municipality is on identifying assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviours are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2013 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future. The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements.

The annual financial statements set out on page 1 to 39 and appendices A to D which have been prepared on the going concern basis, were approved by accounting officer.

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Mr. S.E Bukhosini
Municipal Manager

31 August 2012
Date

UMHLABUYALINGANA MUNICIPALITY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended 30 June 2012

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. These annual financial statements have been prepared in accordance with the Generally Recognised Accounting Practice (GRA) including any interpretations, guidelines and directives issued by the Accounting Standards Board

These standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statement
GRAP 3	Accounting Policies , Changes in Accounting Estimates and
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Investments in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Properties
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued
GRAP 101	Agriculture
GRAP 102	Intangible Assets

Accounting policies for material transaction, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraph 7,11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Recognised Accounting Practices including any interpretations of such Statements issued by the Accounting Practices Board.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

The annual financial statements have been prepared on the assumption that the Municipality will continue to operate as a going concern for the next 12 months.

1.4 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18	Segment Reporting - issued March 2005
GRAP 21	Impairment of Non-Cash-generating-assets - issued March
GRAP 23	Revenue from Non-Exchange Transactions - issued February
GRAP 24	Presentation of Budget Information - issued November 2007
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating-assets - issued March 2009
GRAP 103	Heritage Assets - issued July 2008
GRAP 104	Financial Instruments

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.2 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. **Land** is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.3 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure Assets		Other Assets	
Roads and Paving	30 years	Buildings	30 years
Stormwater Drainage	20 years	Specialist vehicles	10 years
Community Assets		Other vehicles	5 years
Buildings	30 years	Office equipment	3-7 years
Recreational Facility	20-30 years	Furniture and fittings	7-10 years
Security	5 years	Bins and containers	5 years
Community Halls	30 years	Specialised plant and equipment	10-15 years
Libraries	30 years	Landfill sites	15 years
Parks and gardens	10 years	Computer equipment	3 years
Finance Lease Assets			
Office equipment	4 years		

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

The Municipality has taken advantage of the transitional provisions permitted by the Accounting Standards Boards, in terms of Directive 4 issued in March 2009, with respect to the measurement of property, plant and equipment as set out in paragraph 73 to 83.

2.4 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3 INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licenses, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software

5 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

The Municipality has taken advantage of the transitional provisions permitted by the Accounting Standards Boards, in terms of Directive 4 issued in March 2009 , with respect to the measurement of Intangible Assets as set out in paragraph 110 to 118..

3.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 INVESTMENT PROPERTY

4.1 INITIAL RECOGNITION

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is the cost at date of completion.

4.2 SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

5 NON-CURRENT ASSETS HELD FOR SALE

5.1 INITIAL RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

5.2 SUBSEQUENT MEASUREMENT

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

6 FINANCIAL INSTRUMENTS

6.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value.

6.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

6.2.1 INVESTMENTS

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the

6.2.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

6.2.3 FINANCIAL LIABILITIES: ACCOUNTS PAYABLE

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

6.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

7 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

8 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998), Division of Revenue Act of 2008 or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

9 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

10 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least: - the business or part of a business concerned;- the principal locations affected - the location, function, and approximate number of employees who will be compensated for terminating their services; - the expenditures that will be undertaken; and when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

11 LEASES

11.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

11.2 MUNICIPALITY AS LESSOR

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease installments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

12 REVENUE

12.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

12.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible Councilors or officials is virtually certain.

12.3 GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

13 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

14 EMPLOYEE BENEFIT

The municipality provides retirement contributions for its employees and Councillors. Contributions are made to the Natal Joint Municipal Pension Fund to fund the obligations for the payment of retirement benefits in accordance with the rules of the defined benefit funds it administers. Contributions are recognised as an expense in the statement of Financial Performance.

15 IMPAIRMENT OF ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

16 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.



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Umhlabuyalingana Local Municipality

Statement of financial position as at 30 June 2012

	Notes	2012	2011
		R	R
Assets			
Current assets		66 669 083	57 477 980
Trade and other receivables	05	1 011 989	1 086 500
Trade and Receivable from exchange transactions	04	746 296	607 862
Vat receivable	03	4 177 886	888 382
Cash and cash equivalents	06	60 732 912	54 895 236
Non-current assets		96 852 067	68 895 028
Property, plant and equipment	01	96 080 787	68 639 643
Intangible	02	771 279	255 385
Total assets		163 521 150	126 373 010
Net assets and liabilities			
Current liabilities		23 821 264	42 840 449
Trade and other payables	09	3 739 079	7 950 596
Unspent Conditional Grants	10	17 831 834	32 038 447
Current portion of lease liability	29	215 842	39 286
Provisions	11	2 034 508	2 812 120
Non- Current Liabilities		70 807	195 077
Finance Lease Obligation	29	70 807	195 077
Net assets		139 629 079	83 337 484
Accumulated surplus	07	139 629 079	83 337 484
Total net assets and liabilities		163 521 150	126 373 010



Umhlabuyalingana Local Municipality
Statement of financial performance for the year ended 30 June 2012

	Notes	2012	2011
		R	R
Revenue			
Property rates	12	3 305 952	1 652 976
Interest earned-Investment and Main bank	13	1 473 335	973 995
Fines, licences and permits	15	1 688 065	1 126 045
Government grants and subsidies	16	87 752 807	49 144 441
Donations received	14	-	104 386
Other revenue	17.1	289 358	876 359
Rental revenue	17.2	33 232	32 844
Adjustment for land site		799 612	-
Gain of Sale of asset		20 000	-
Total Revenue (A)		95 362 363	53 911 046
Expenditure (classified by nature)			
Employee related costs	18	10 579 952	10 118 859
Councillor remunerations	19	6 756 297	4 447 882
Contracted Services	20.1	78 905	62 863
Depreciation	20.2	3 821 011	3 580 768
Repairs and maintenance	21	971 206	234 152
Provision for bad debt	04	1 377 758	236 652
Asset impairment			3 970 061
Debtors Imparement	05	1 743 760	34 464
Provision for Rehabilitation of Site		-	1 788 982
Leave Expense		84 639	196 240
Interest and Penalties		-	-
Administration and other expenses	22	13 673 945	6 984 312
Total Expenditure (B)		39 087 473	31 655 234
Surplus/(Deficit) for the year (A-B)		56 274 890	22 255 812

UMHLABUYALNGANA LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 2012							
	Donations and public contribution reserves	Government reserve	Grant	Capitalisation Reserves	Accumulated surplus/(deficit)	Revaluation reserve	Total
	R	R		R	R	R	R
Balance at 01 July 2010					61 081 673	-	61 081 673
Surplus for the year					22 275 618	-	22 275 618
Asset disposal						-	-
Current year adjustment					-	-	-
Correction of prior period arrers(MIG)	-		-	-	-	-	-
Correction of prior period arrers	-		-	-	-	-	-
Balance at 30 June 2011	-	-	-	-	83 354 189	-	83 354 189
Surplus for the year	-	-	-	-	56 274 890	-	56 274 890
Asset disposal	-	-	-	-	-	-	-
Prior year Adjustment and adjustment to accumulated surplus	-	-	-	-		-	
	-	-	-	-	139 629 079	-	139 629 079

UMHLABUYALNGANA LOCAL MUNICIPALITY
Cash flow statement for the year ended 30 June 2012

	Note	2012	2011
		R	R
Cash flow from operating activities			
Cash received from consumers, government and other		87 752 807	52 937 050
Cash paid to suppliers and employees		(51 079 431)	(22 044 307)
Cash generated from operations	31	36 673 376	30 892 743
Dividends received		-	
Interest received		1 473 335	973 995
Interest paid		(64 440)	
Net cash flow from operating activities		38 082 272	31 866 738
Cash flow from investing activities			
Additions to property, plant and equipment		(32 296 881)	(10 084 844)
Proceeds on disposal of property, plant and equipment			
Additions to investment property			
Increase in investments			(7 146 207)
Increase in non-current receivables			
Decrease in call investment deposits			
Net cash flow from investing activities		(32 296 881)	14 635 687
Cash flow from financing activities			
Non-current liabilities raised		52 286	
Decrease in short-term loans			
Net cash flow from financing activities		52 286	
Net cash flows for the year		5 837 677	46 502 426
Cash and cash equivalents beginning of year		54 895 236	8 392 810
Cash and cash equivalents end of year		60 732 912	54 895 236

Tn Fn Dp Sc ItemSub Description

APPROPRIATIONS

1	10	5	5	17001	SURPLUS / (DEFICIT)	OPENING BALANCE
1	10	5	5	17002	SURPLUS / (DEFICIT)	NETT REV. & EXP
1	10	5	5	17011	PRIOR YEAR ADJUST	CORREC TION OF ERROR

UDC 27 LOAN

1	10	5	5	102001	UDC 27 LOAN	OPENING BALANCE
1	10	5	5	102002	UDC 27 LOAN RECEIVED	
1	10	5	5	102003	UDC 27 LOAN REDEEMED	
1	10	5	5	102004	UDC 27 LOAN WRITTEN OFF	

PROVISION LEAVE

1	10	5	5	313001	PROVISION: LEAVE	OPENIN G BALANCE
1	10	5	5	313002	PROVISION: LEAVE	CONTRI BUTION PROVISION
1	10	5	5	313003	PROVISION: LEAVE	EXPEND ITURE INCURRED

PROVISION FOR BAD DEBT

1	10	5	5	314001	PROVISION: BAD DEBT	OPENING BALANCE
1	10	5	5	314002	PROVISION: BAD DEBT	CONTRIBUTION PROVISION
1	10	5	5	314003	PROVISION: BAD DEBT	EXPENDITURE INCURRED

PROVISION FOR REHABILITATION OF LAND FILL SITE

1	10	5	5	320001	PROVISION: REHAB LAND	OPENING BALANCE
1	10	5	5	320002	PROVISION: REHAB LAND	CONTRIBUTION PROVISION
1	10	5	5	320003	PROVISION: REHAB LAND	EXPENDITURE INCURRED

1	10	5	5	351001	CREDITORS CONTROL	
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DEBTORS VAT

1	10	5	5	355001	VAT - DEBTORS	OPENIN G BALANCE
1	10	5	5	355002	VAT - DEBTORS	ACCRUA LS
1	10	5	5	355003	VAT - DEBTORS	RECEIP TS
1	10	5	5	355004	VAT - DEBTORS	JOURNA LS

SALARIES CONTROL

1	10	5	5	357002	SALARY CONTROL	OPENIN G BALANCE
1	10	5	5	357003	SALARY CONTROL	PAYROL L DEDUCTIONS
1	10	5	5	357004	SALARY CONTROL	AMOUNT PAID

SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL

1	10	5	5	358001	SALGBC OPENING BALANCE
1	10	5	5	358002	SALGBC PAYROLL DEDUCTIONS
1	10	5	5	358003	SALGBC AMOUNT PAID

PAY AS YOU EARN

1	10	5	5	359001	PAYE OPENING BALANCE
1	10	5	5	359002	PAYE PAYROLL DEDUCTIONS
1	10	5	5	359003	PAYE AMOUNT PAID

PENSION DEDUCTIONS

1	10	5	5	360001	PENSION DEDUCTIONS OPENING BALANCE
1	10	5	5	360002	PENSION DEDUCTIONS PAYROLL DEDUCTIONS
1	10	5	5	360003	PENSION DEDUCTIONS AMOUNT PAID

MEDICAL AID CONTRIBUTIONS

1	10	5	5	362001	MEDICAL CONTRIBUTIONS OPENING BALANCE
1	10	5	5	362002	MEDICAL CONTRIBUTIONS PAYROLL DEDUCTIONS
1	10	5	5	362003	MEDICAL CONTRIBUTIONS AMOUNT PAID

CLEARANCE ACCOUNTS: CREDITORS

1	10	5	5	370001	CREDITORS SUNDRY
1	10	5	5	370002	ACCRUED EXPENSES
1	10	5	5	370003	DEFERRED INCOME
1	10	5	5	370004	PAYROLL - GARNISH
1	10	5	5	370005	PAYROLL - UNIONS & MEMBERSHIP FEES
1	10	5	5	370006	PAYROLL - COMMUNICATIONS
1	10	5	5	370007	PAYROLL - SUNDRY ACCOUNT
1	10	5	5	370008	LEASE LIABILITY
1	10	5	5	370009	RETENTIONS

FINANCIAL MANAGEMENT GRANT

1	10	5	5	401001	FINANCE MANAGEMENT GRANT OPENING BALANCE
1	10	5	5	401002	FINANCE MANAGEMENT GRANT CURRENT YEAR RECEIPTS
1	10	5	5	401003	FINANCE MANAGEMENT GRANT RECOGNIZE INCOME

MUNICIPAL INFRASTRUCTURE GRANT

1	10	5	5	402001	MUN. INFRA GRANT OPENING BALANCE
1	10	5	5	402002	MUN. INFRA GRANT CURRENT YEAR RECEIPTS
1	10	5	5	402003	MUN. INFRA GRANT RECOGNIZE INCOME

MAP GRANT

1	10	5	5	403001	M A P OPENING BALANCE
1	10	5	5	403002	M A P CURRENT YEAR RECEIPTS
1	10	5	5	403003	M A P RECOGNIZE INCOME

MSIG

1	10	5	5	404001	MSIG OPENING BALANCE
1	10	5	5	404002	MSIG CURRENT YEAR RECEIP TS
1	10	5	5	404003	MSIG REGCONIZE INCOME

LUMS

1	10	5	5	405001	LUMS OPENING BALANCE
1	10	5	5	405002	LUMS CURRENT YEAR RECEIP TS
1	10	5	5	405003	LUMS REGCONIZE INCOME

PROJECT CONSOLIDATE MANGUZI ROAD

1	10	5	5	406001	PROJ CON MANGUZI RD OPEN ING BALANCE
1	10	5	5	406002	PROJ CON MANGUZI RD CURR ENT YEAR RECEIPTS
1	10	5	5	406003	PROJ CON MANGUZI RD REGC ONIZE INCOME

SPATIAL DEVELOPMENT

1	10	5	5	407001	SPATIAL DEVELOPMENT OPEN ING BALANCE
1	10	5	5	407002	SPATIAL DEVELOPMENT CURR ENT YEAR RECEIPTS
1	10	5	5	407003	SPATIAL DEVELOPMENT REGC ONIZE INCOME

DEPARTMENT OF SPORT

1	10	5	5	408001	DOS SPORTS FIELD OPENING BALANCE
1	10	5	5	408002	DOS SPORTS FIELD CURRENT YEAR RECEIPTS
1	10	5	5	408003	DOS SPORTS FIELD REGCONI ZE INCOME

MBAZWANA AND MANGUZI BUSINESS HUBS

1	10	5	5	409001	MBAZWANA MANGUZI HUBS OP ENING BALANCE
1	10	5	5	409002	MBAZWANA MANGUZI HUBS CU RRENT YEAR RECEIPTS
1	10	5	5	409003	MBAZWANA MANGUZI HUBS RE GCONIZE INCOME

PROJECT CONSOLIDATED GRANT

1	10	5	5	410001	PROJECT CONSOLIDATE GRAN T OPENING BALANCE
1	10	5	5	410002	PROJECT CONSOLIDATE GRAN T CURRENT YEAR RECEIPTS
1	10	5	5	410003	PROJECT CONSOLIDATE GRAN T REGCONIZE INCOME

URBAN DEVELOPMENT

1	10	5	5	411001	URBAN DEVELOPMENT OPENIN G BALANCE
1	10	5	5	411002	URBAN DEVELOPMENT CURREN T YEAR RECEIPTS
1	10	5	5	411003	URBAN DEVELOPMENT REGCON IZE INCOME

DBSA DIRECTOR TECHNICAL

1	10	5	5	412001 DBSA DIRECTOR TECHNICAL OPENING BALANCE
1	10	5	5	412002 DBSA DIRECTOR TECHNICAL CURRENT YEAR RECEIPTS
1	10	5	5	412003 DBSA DIRECTOR TECHNICAL REGCONIZE INCOME

LIBRARY GRANT

1	10	5	5	413001 LIBRARY GRANT OPENING BALANCE
1	10	5	5	413002 LIBRARY GRANT CURRENT YEAR RECEIPTS
1	10	5	5	413003 LIBRARY GRANT REGCONIZE INCOME

MANZENGWENYA PROJECT

1	10	5	5	414001 MANZENGWANYA PROJECT OPENING BALANCE
1	10	5	5	414002 MANZENGWANYA PROJECT CURRENT YEAR RECEIPTS
1	10	5	5	414003 MANZENGWANYA PROJECT REGCONIZE INCOME

PHELANDABA DEVELOPMENT

1	10	5	5	415001 PHELANDABA DEVELOPMENT OPENING BALANCE
1	10	5	5	415002 PHELANDABA DEVELOPMENT CURRENT YEAR RECEIPTS
1	10	5	5	415003 PHELANDABA DEVELOPMENT REGCONIZE INCOME

NHLANGE RESTAURANT

1	10	5	5	416001 NHLANGE RESTAURANT OPENING BALANCE
1	10	5	5	416002 NHLANGE RESTAURANT CURRENT YEAR RECEIPTS
1	10	5	5	416003 NHLANGE RESTAURANT REGCONIZE INCOME

KWATEMBE CONCRETE PROJECT

1	10	5	5	417001 KWA TEMBE CONCRETE PROJECT OPENING BALANCE
1	10	5	5	417002 KWA TEMBE CONCRETE PROJECT CURRENT YEAR RECEIPTS
1	10	5	5	417003 KWA TEMBE CONCRETE PROJECT REGCONIZE INCOME

DC 27 SHARED SERVICE

1	10	5	5	418001 DC 27 SHARED SERVICE OPENING BALANCE
1	10	5	5	418002 DC 27 SHARED SERVICE CURRENT YEAR RECEIPTS
1	10	5	5	418003 DC 27 SHARED SERVICE REGCONIZE INCOME

DEPARTMENT OF ENERGY ELECTRIFICATION

1	10	5	5	419001 DEP. ENERGY ELECTR. OPENING BALANCE
1	10	5	5	419002 DEP. ENERGY ELECTR. CURRENT YEAR RECEIPTS
1	10	5	5	419003 DEP. ENERGY ELECTR. REGCONIZE INCOME

COGTA SMALL TOWN REHABILITATION

1	10	5	5	420001 COGTA - SMALL TOWN REHAB OPENING BALANCE
1	10	5	5	420002 COGTA - SMALL TOWN REHAB CURRENT YEAR RECEIPTS
1	10	5	5	420003 COGTA - SMALL TOWN REHAB REGCONIZE INCOME

COGTA GROUND NUTS

1	10	5	5	421001	GROUND NUTS OPENING BALANCE
1	10	5	5	421002	GROUND NUTS CURRENT YEAR RECEIPTS
1	10	5	5	421003	GROUND NUTS RECOGNIZED INCOME

VAT PAYABLE / RECEIVABLE

1	10	5	5	876001	VAT-PAYABLE / RECEIVABLE OPENING BALANCE
1	10	5	5	876002	VAT-PAYABLE / RECEIVABLE DEBTORS RECEIPTS
1	10	5	5	876003	VAT-PAYABLE / RECEIVABLE CREDITORS PAYMENTS
1	10	5	5	876004	VAT-PAYABLE / RECEIVABLE RECEIVED FROM SARS
1	10	5	5	876005	VAT-PAYABLE / RECEIVABLE PAYMENT TO SARS

BANK AND CASH

1	10	5	5	951001	BANK GEN. ACC.	OPENING BALANCE
1	10	5	5	951002	BANK GEN. ACC.	INCOME
1	10	5	5	951003	BANK GEN. ACC.	EXPENDITURE

PROPERTY PLANT AND EQUIPMENT

1	10	5	10	5998001	PROPERTY PLANT & EQUIPMENT
1	10	5	10	5998011	PPE ACCUMULATED DEPRECIATION

INVESTMENTS

1	10	5	10	6202001	INVESTMENT OPENING BALANCE
1	10	5	10	6202002	INVESTMENT MADE
1	10	5	10	6202003	INVESTMENT WITHDRAW
1	10	5	10	6202004	INVESTMENT INTEREST

UDC 27 LOAN

1	10	5	10	6752001	UDC 27 LOAN	OPENING BALANCE
1	10	5	10	6752002	UDC 27 LOAN	RECEIVED DURING YEAR
1	10	5	10	6752003	UDC 27 LOAN	INTEREST ON LOAN
1	10	5	10	6752004	UDC 27 LOAN	REDEEMED DURING YEAR
1	10	5	10	6752005	UDC 27 LOAN	WRITTEN OFF DURING YEAR

DEBTORS PROPERTY RATE: BUSINESS

1	10	5	10	6853001	RATES BUSINESS OPENING BALANCE
1	10	5	10	6853002	RATES BUSINESS ACCRUALS
1	10	5	10	6853003	RATES BUSINESS RECEIPTS

1 10 5 10 6853004 RATES BUSINESS JOURNALS

DEBTORS PROPERTY RATES: RESIDENTIALS

1 10 5 10 6854001 RATES RESIDENTIAL OPENIN G BALANCE
1 10 5 10 6854002 RATES RESIDENTIAL ACCRUA LS
1 10 5 10 6854003 RATES RESIDENTIAL RECEIP TS
1 10 5 10 6854004 RATES RESIDENTIAL JOURNA LS

DEBTORS PROPERTY RATE: AGRICULTURE

1 10 5 10 6855001 RATES AGRICULTURAL OPENI NG BALANCE
1 10 5 10 6855002 H
1 10 5 10 6855003 RATES AGRICULTURAL RECEI PTS
1 10 5 10 6855004 RATES AGRICULTURAL JOURN ALS

DEBTORS PROPERTY RATE: STATE TRUST

1 10 5 10 6856001 RATES STATE TRUST OPENIN G BALANCE
1 10 5 10 6856002 RATES STATE TRUST ACCRUA LS
1 10 5 10 6856003 RATES STATE TRUST RECEIP TS
1 10 5 10 6856004 RATES STATE TRUST JOURNA LS

DEBTORS PROPERTY RATE : STATE OWNED

1 10 5 10 6857001 RATES STATE OWNED OPENIN G BALANCE
1 10 5 10 6857002 RATES STATE OWNED ACCRUA LS
1 10 5 10 6857003 RATES STATE OWNED RECEIP TS
1 10 5 10 6857004 RATES STATE OWNED JOURNA LS

DEBTORS PROPERTY RATE : PUBLIC INFRASTRUCTURE

1 10 5 10 6858001 RATES PUBLIC INFRASTRUCT OPENING BALANCE
1 10 5 10 6858002 RATES PUBLIC INFRASTRUCT ACCRUALS
1 10 5 10 6858003 RATES PUBLIC INFRASTRUCT RECEIPTS
1 10 5 10 6858004 RATES PUBLIC INFRASTRUCT JOURNALS

DEBTORS CONTROL ACCOUNT / CLEARANCE ACCOUNT

1 10 5 10 6970001 BILLING INTEGR REJECT CONTROL
1 10 5 10 6970002 BILLING INTEGR REJECT CONTRA
1 10 5 10 6970003 VAT - CREDITORS
1 10 5 10 6970004 DEBTORS EMPLOYEE OVERPAYMENT S57
1 10 5 10 6970005 ACCRUED INCOME
1 10 5 10 6970006 OTHER DEBTORS MIG
1 10 5 10 6970007 CREDITORS OVERPAYMENT
1 10 5 10 6970008 DEBTORS COUNCIL OVERPAYMENT

PETTY CASH

1 10 5 10 6991000 PETTY CASH

CAPEX BUDGET & TREASURY OFFICE

1	10	5	10	9230001	FINANCE - OFFICE FURNITURE
1	10	5	10	9230004	FINANCE - COMPUTERS
1	10	5	10	9230005	FINANCE - CAPITAL EXPENSES

COMMUNITY AND SOCIAL SERVICES

1	10	5	10	9270001	LIBRARY - OFFICE FURNITURE
1	10	5	10	9270009	LIBRARY - GAURDHOUSE
1	10	5	10	9270016	COMMUN SERV - SKIPS

SPORT AND RECREATION

1	10	5	10	9290001	MANABA SPORT GROUND
1	10	5	10	9290002	SPORT REFURBUSHMENT
1	10	5	10	9290003	SPORT GROUND- MANABA NEW

PUBLIC SAFETY

1	10	5	10	9310003	TRAFFIC STATION
1	10	5	10	9310004	TRAFFIC - SAVELLIAN CAME RA

PLANING AND DEVELOPMENT

1	10	5	10	9350003	TECH SERV - VEHICLE
1	10	5	10	9350005	LOCAL ECON - OFF ROAD PARKING
1	10	5	10	9350006	LOCAL ECON - MANGUZI MARKET STALLS
1	10	5	10	9350007	COUNCIL CHAMBER
1	10	5	10	9350008	NJINJI ACCESS ROAD
1	10	5	10	9350014	MANGUZI ROAD
1	10	5	10	9350010	MBAZWANA DUMPSITE

ELECTRICITY

1	10	5	10	9410001	NATIONAL ELECTRIFICATION
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OTHER CAPEX

1	10	5	10	9490001	MAHLAKWE - HALL
1	10	5	10	9490003	BHEKABANTU COMMUNITY HALL
1	10	5	10	9490004	MPHAKATHINI COMMUNITY HALL
1	10	5	10	9490006	CORRIDOR DEVELOPMENT - PHELANDABA
1	10	5	10	9490007	MBAZWANA TOWN SERVICES
1	10	5	10	9490009	FENCING OF DUMPSITES
1	10	5	10	9490010	UPGRADING OF FINANCIAL SYSTEM

Year Opening Bal	Year Debit Move	Year Credit Move	YTD Debit Bal	YTD Credit Bal
(83 354 189.29)	-	-	-	(83 354 189.29)
-	38 590 244.42	(94 865 133.71)	-	(56 274 889.29)
-	-	-	-	-
(83 354 189.29)	38 590 244.42	(94 865 133.71)	-	(139 629 078.58)
(1 981 244.54)	-	-	-	(1 981 244.54)
-	-	-	-	-
-	1 981 244.54	-	-	-
-	-	-	-	-
(1 981 244.54)	1 981 244.54			-
(598 246.69)	131 804.57	(83 147.25)	-	(549 589.37)
-	-	(29 177.16)	-	(29 177.16)
-	-	-	-	-
(598 246.69)	131 804.57	(112 324.41)	-	(578 766.53)
(236 651.69)	-	-	-	(236 651.69)
-	-	(1 377 757.80)	-	(1 377 757.80)
-	-	-	-	-
(236 651.69)	-	(1 377 757.80)	-	(1 614 409.49)
(2 255 354.01)	799 612.37	-	-	(1 455 741.64)
-	-	-	-	-
-	-	-	-	-
(2 255 354.01)	799 612.37	-	-	(1 455 741.64)
(2 050 108.95)	67 566 343.80	(65 516 334.65)	-	(99.80)
(5 448.06)	-	-	-	(5 448.06)
-	2 564.40	(3 087.23)	-	(522.83)
-	7 167.78	(19 519.35)	-	(12 874.40)
-	261.17	(1 175.99)	-	(914.82)
(5 448.06)	9 993.35	(23 782.57)		(19 237.28)
-	-	-	-	-
-	6 780 357.09	(19 231 339.79)	-	(12 450 982.70)
-	12 505 082.73	(54 000.03)	12 451 082.70	-
-	19 285 439.82	(19 285 339.82)	-	

-	-	-	-	-
-	4 624.52	(26 297.61)	-	(21 673.09)
-	21 673.09	-	21 673.09	-
-	26 297.61	(26 297.61)	-	
-	-	-	-	-
-	836 495.47	(4 034 679.61)	-	3 194 184.14
-	3 190 517.89	-	3 190 517.89	-
-	4 027 013.36	(4 034 679.61)		(7 666.25)
(15 654.06)	-	-		(15 654.06)
-	226 454.36	(1 309 921.35)	-	(1 083 466.99)
-	1 083 466.99	-	1 083 466.99	-
(15 654.06)	1 309 921.35	(1 309 921.35)		(15 654.06)
15 654.06	-	-	15 654.06	-
-	101 842.09	(544 627.09)	-	(442 785.00)
-	442 785.00	-	442 785.00	-
15 654.06	544 627.09	(544 627.09)	15 654.06	
(701 767.91)	602 175.92	(2 701 472.46)	-	(2 801 064.45)
(179 065.10)	92 084.09	(140 741.30)	-	(227 722.31)
(19.86)	-	-	-	(19.86)
-	935 035.92	(934 744.03)	291.89	
-	324 385.16	(324 385.16)		-
-	362 240.67	(362 240.67)		
(63 930.00)	290 866.40	(292 986.45)		(66 050.05)
(234 363.67)	121 426.08	(173 711.60)	-	(286 649.19)
(2 528 462.70)	1 891 712.30	-		(636 750.40)
(3 707 609.24)	4 619 926.54	(4 930 281.67)		(4 017 964.37)
(1 328 791.55)	-	-	-	(1 328 791.55)
-	-	(1 450 000.00)	-	(1 450 000.00)
-	2 475 231.61	-	2 475 231.61	-
(1 328 791.55)	2 475 231.61	(1 450 000.00)		(303 559.94)
(10 117 187.64)	-	-	-	(10 117 187.64)
-	182.02	(19 908 000.00)	-	(19 907 817.98)
-	19 061 224.86	(509 431.06)	19 061 224.86	-
(10 117 187.64)	19 061 406.88	(20 417 431.06)		(11 473 211.82)
(564 485.80)	-	-	-	(758 263.00)
-	-	-	-	-
-	313 318.30	-	313 318.30	(71 478.00)

(564 485.80)	313 318.30	-		(251 167.50)
(95 918.00)	-	-	-	(95 918.00)
-	-	(790 000.00)	-	(790 000.00)
-	885 918.00	-	885 918.00	-
(95 918.00)	885 918.00	(790 000.00)		-
(100 000.00)	-	-	-	(100 000.00)
-	700 000.00	(700 000.00)	-	-
-	100 000.00	-	100 000.00	-
(100 000.00)	800 000.00	(700 000.00)		-
(665 669.11)	-	-	-	(665 669.11)
-	-	(700 000.00)	-	-
-	446 248.61	-	-	-
(665 669.11)	446 248.61	(700 000.00)	-	(919 420.50)
(43 000.00)	-	-	-	(43 000.00)
-	-	-	-	-
-	96 000.00	(53 000.00)	-	-
(43 000.00)	96 000.00	(53 000.00)	-	-
(809 868.30)	-	-	-	(809 868.30)
-	150 000.00	(300 000.00)	-	-
-	886 429.86	(38 280.78)	848 149.08	-
(809 868.30)	1 036 429.86	(338 280.78)		(111 719.22)
(160 000.00)	-	-	-	(160 000.00)
-	-	-	-	-
-	-	-	-	-
(160 000.00)	-	-	-	(160 000.00)
(213 344.94)	-	-	-	(213 344.94)
-	-	-	-	-
-	213 345.00	-	213 345.00	-
(213 344.94)	213 345.00	-		0.06
(907 195.00)	-	-	-	(907 195.00)
-	-	-	-	-
-	-	-	-	-
(907 195.00)	-	-	-	(907 195.00)

0.14	-	(0.14)	-	-
-	-	-	-	-
-	-	-	-	-
0.14	-	(0.14)	-	-
(354 208.68)	-	-	-	(22 500.00)
-	-	(1 502 193.00)	-	(1 415 807.00)
-	1 208 095.44	-	1 208 095.44	-
(354 208.68)	1 208 095.44	(1 502 193.00)		(648 306.24)
(7 500.00)	-	-	-	(7 500.00)
-	-	-	-	-
-	-	-	-	-
(7 500.00)	-	-	-	(7 500.00)
(364 600.00)	-	-	-	(364 600.00)
-	-	-	-	-
-	186 000.00	-	186 000.00	-
(364 600.00)	186 000.00	-		(178 600.00)
(5 600.00)	-	-	-	(5 600.00)
-	-	-	-	-
-	-	-	-	-
(5 600.00)	-	-	-	(5 600.00)
(86 110.50)	-	-	-	(86 110.50)
-	-	-	-	-
-	-	-	-	-
(86 110.50)	-	-	-	(86 110.50)
(208 800.00)	-	(80.00)	-	(208 800.00)
-	-	-	-	-
-	208 880.00	-	208 880.00	-
(208 800.00)	208 880.00	(80.00)	-	
(9 000 000.00)	-	-	-	-
-	658 168.86	(658 168.86)	-	(9 000 000.00)
-	6 892 022.71	(329 084.43)	6 562 938.28	-
(9 000 000.00)	7 550 191.57	(987 253.29)		(2 437 061.72)
(5 738 586.49)	-	-	-	-
-	-	(1 000 000.00)	-	(6 500 000.00)
-	7 487 160.91	(1 090 954.42)	6 396 206.49	-

(5 738 586.49)	7 487 160.91	(2 090 954.42)		(342 380.00)
(1 476 381.17)	-	-	-	(1 476 381.17)
-	-	-	-	(2 000 000.00)
-	2 360 556.86	(884 175.69)	1 476 381.17	
(1 476 381.17)	2 360 556.86	(884 175.69)		-
(235 195.65)	-	-		(235 195.65)
-	-	-	-	-
-	1 578 339.80	(6 799.02)	1 575 883.66	-
-	-	(2 441 675.20)	-	(2 441 675.20)
-	-	-	-	-
(235 195.65)	1 578 339.80	(2 448 474.22)		(1 105 330.07)
41 306 213.73	23 000.00	(23 000.00)	41 306 213.73	-
-	80 652 864.07	(100 127.97)	80 552 736.10	-
-	215 072.42	(75 210 097.34)	-	(74 995 024.92)
41 306 213.73	80 890 936.49	(75 333 225.31)	46 863 924.91	
			46 879 578.97	(166 275 780.45)
83 410 605.66	-	(324 590.48)	83 086 015.18	-
(14 474 095.30)	283 107.86	(5 564 771.43)		(19 755 758.87)
68 936 510.36	283 107.86	(5 889 361.91)	63 330 256.31	
13 159 543.32	-	-	13 159 543.32	-
-	-	-	-	-
-	-	(1 016.33)	-	(1 016.33)
-	830 622.80	(122 598.89)	708 023.91	-
13 159 543.32	830 622.80	(123 615.22)	13 866 550.90	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
423 979.07	-	-	423 979.07	-
-	1 019 114.57	(84 714.57)	934 400.00	-
-	325.00	(398 779.13)	-	(398 779.13)

-	-	-	-	-
423 979.07	1 019 439.57	(483 493.70)	959 924.94	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
15 242.12	-	-	15 242.12	-
-	29 905.82	(577.76)	29 328.06	-
-	-	-	-	-
-	-	-	-	-
15 242.12	29 905.82	(577.76)	44 570.18	
337 084.00	-	-	-	-
-	674 168.28	(0.22)	674 168.06	-
-	-	-	-	(102 666.08)
-	-	-	-	-
337 084.00	674 168.28	(0.22)	1 011 252.06	
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
68 208.84	-	-	68 208.84	-
-	1 752 192.76	(84 136.51)	1 668 056.25	-
-	-	(1 391 306.79)	-	(1 391 306.79)
-	-	-	-	-
68 208.84	1 752 192.76	(1 475 443.30)	344 958.30	
-	-	-	-	-
-	-	-	-	-
1 129 025.82	5 729 637.60	(1 556 210.31)	5 302 453.11	-
382 932.11	78 120.00	(78 120.00)	382 932.11	-
6 352.19	2 126.65	-	8 478.84	-
1 820.44	-	-	1 820.44	-
5 042.85	-	(4 432.85)	610.00	-
690 353.00	-	(72 205.00)	618 148.00	-
2 215 526.41	5 809 884.25	(1 710 968.16)	6 314 442.50	
187.45	81 466.29	(79 217.33)	2 436.41	-

	187.45	81 466.29	(79 217.33)	2 436.41	
-	227 701.98	(15 864.34)	211 837.64	-	
-	82 129.46	-	82 129.46	-	
-	109 271.89	-	109 271.89	-	
-	419 103.33	(15 864.34)	403 238.99	-	
-	89 718.16	-	89 718.16	-	
-	11 419.74	-	11 419.74	-	
-	446 100.00	-	446 100.00	-	
-	547 237.90	-	547 237.90	-	
-	184 625.60	-	184 625.60	-	
-	100 244.21	-	100 244.21	-	
-	1 256 038.12	(55 363.47)	1 200 674.65	-	
-	1 540 907.93	(55 363.47)	1 485 544.46	-	
-	3 108 033.73	(1 241 571.46)	1 866 462.27	-	
-	127 150.42	(14 875.41)	112 275.01	-	
-	3 235 184.15	(1 256 446.87)	1 978 737.28	-	
-	655 042.93	(2 456.14)	652 586.79	-	
-	290 000.00	-	290 000.00	-	
-	6 333 142.52	(247 288.95)	6 085 853.57	-	
-	7 014 331.17	-	7 014 331.17	-	
-	151 172.52	(151 172.52)	-	-	
-	1 261 716.83	-	1 261 716.83	-	
-	3 416 326.08	-	3 416 326.08	-	
-	19 121 732.05	(400 917.61)	18 720 814.44	-	
-	61 771 173.01	-	6 177 173.01	-	
-	61 771 173.01	-	6 177 173.01	-	
-	48 898.48	(48 898.48)	-	-	
-	323 825.98	(82 179.92)	241 646.06	-	
-	94 091.75	(94 091.75)	-	-	
-	104 100.00	-	104 100.00	-	
-	2 262 768.75	-	2 262 768.75	-	
-	1 103 544.34	-	1 103 544.34	-	
-	497 004.94	-	497 004.94	-	
-	4 434 234.24	(225 170.15)	4 209 064.09	-	

166 275 780.74	(166 275 780.45)
----------------	------------------

0.29

139 629 078.58
(0.00)

(119 396 201.48)

(19 755 758.87)	(5 564 771.43)	
	85210.48	
	(19 670 548.39)	
	83 086 015.18	82 830 630.18
	403 238.99	403 238.99
	547 237.90	547 237.90
	1 485 544.46	1 485 544.46
	1 978 737.28	1 978 737.28
	18 720 814.44	18 720 814.44
	6 177 173.01	6 177 173.01
	4 209 064.09	4 209 064.09
	116 607 825.35	116 352 440.35
	(19 755 758.87)	(19 755 758.87)
	96 852 066.48	
	96 080 787.48	
	68 681 125.00	
	(255 385.36)	

Land	Offi	Road	Under Con Fin. Lease Vehicle
11 419.74			

Office equipment	Computer	fin lease
211 837.64	82 129.46	109 271.89
89 718.16		

PPE

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

01. **Property Plant and Equipment**

Year ended 01 July 2011

Cost at the beginning of the year

Accumulated Depreciation

Prior year correction

Carrying amount at beginning of year

Acquisitions

Capital Under Construction (WIP)

Provision for Landfill Site

Impairment

Disposals- Cost

Disposal Accumulated Depreciation

Depreciation charge

Carrying amount at end of year

At 30 June 2012

Carrying amount

Cost at the end of the year

Accumulated impairment

Accumulated depreciation

Disposal Analysis

Cost

Accumulated Depreciation

Carrying Value

1.1 Fully depreciated assets still in use

They are 339 asset that have fully depreciated but are still in use. The municipality will dispose them in the next twelve months.

02. **INTANGIBLE ASSETS**

Intangible Assets- Municipality

Computer Software

Reconciliation of intangible assets - 2012

Computer Software

Reconciliation of intangible assets - 2011

Computer Software

03. **VAT RECEIVABLE**

VAT receivable

Land and buildings	Roads & Water	Assets under construction	Vehicles	Finance Leased Assets	Plant & Equipment	Total
R	R	R	R	R	R	R
26 496 498	22 852 536	31 304 886	2 062 323	276 818	3 793 275	86 786 336
(5 539 619)	(10 126 464)	-	(643 973)	(63 503)	(1 831 321)	(18 104 880)
(41 483)						(41 483)
20 915 396	12 726 072	31 304 886	1 616 350	213 315	1 961 954	68 639 973
-	-		635 043	109 272	943 684	1 687 999
-	-	31 209 987	-	-	-	31 209 987
-	-	-	-	-	-	-
-	(1 075 838)	-			(173 482)	(1 749 319)
		-	(283 108)			(283 108)
			283 108			283 108
(961 954)	(1 931 080)	-	(281 360)	(84 597)	(448 532)	(3 707 522)
19 953 442	9 219 154	62 514 873	1 872 033	237 991	2 283 624	96 081 118
19 953 442	9 219 154	62 514 873	1 872 033	237 991	2 283 624	96 081 118
26 496 498	22 852 536	62 514 873	2 414 258	386 090	4 736 999	119 359 751
(6 501 573)	(1 575 838)	-	(542 225)	(148 100)	(2 279 853)	(21 529 294)
-	(12 057 544)	-				
-	-					
-	-					
-	-					

Cost/ Valuation	2012 Accumulated Amortisation	Carrying Value	Cost / Valuation	2011 Accumulated Amortisation	Carrying Value
594 696	(254 150)	340 546	594 696	(28 743)	565 954

Opening balance	Addition	Amortisation	Total
255 385	601 105	(85 210)	771 279

Opening balance	Addition	Amortisation	Total
340 546	-	(85 161)	255 385

2012	2011
4 177 886	886 382

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

04	Trade and Receivable from exchange transaction	Gross Balance	Provision for doubtful Debts	Net Balance
	<u>Trade receivables</u>	R	R	R
	as at 30 June 2012			
	Service debtors			
	Rates	2 360 795	(1 614 499)	746 296
	Total	2 360 795	(1 614 499)	746 296
	as at 30 June 2011			
	Service debtors			
	Rates	844 514	(236 652)	607 862
	Total	844 514	(236 652)	607 862
	BUSINESS			
	<u>Rates_Ageing</u>	2012	2011	
	Current (0 – 30 days)	77 866.68	81 447	
	31 - 60 Days	56 175.01	78 052	
	61 - 90 Days	56 175.01	78 052	
	91 - 120 Days	55 341.68	70 611	
	121 - 365 Days	55 341.68	536 362	
	+ 365 Days	659 024.88	-	
	Total	959 925	844 514	
	<u>Summary of Debtors by Customer Classification</u>	Industrial / Commercial	National and Provincial Government	
		R'000	R'000	
	as at 30 June 2012			
	Current (0 – 30 days)	959 924.94	1 011 252.06	
	31 - 60 Days	44 570.18	344 958.30	
	61 - 90 Days			
	91 - 120 Days			
	121 - 365 Days			
	+ 365 Days			
	Sub-total	1 004 495.12	1 356 210	
	Less: Provision for doubtful debts	(1 614 409.49)	-	
	Total debtors by customer classification	(609 914.37)	1 356 210	
	as at 30 June 2011			
	Current (0 – 30 days)	38 558	42 888	
	31 - 60 Days	35 192	42 860	
	61 - 90 Days	35 192	42 860	
	91 - 120 Days	35 192	35 420	
	121 - 365 Days	279 846	256 506	
	+ 365 Days	-	-	
	Sub-total	423 979	429 535	
	Less: Provision for doubtful debts	(119 329)	(119 329)	
	Total debtors by customer classification	305 653	302 299	

UMLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

05	Trade and other receivables	2012	2011
	Re-indebtor overpayments	382 932	417 396
	MIG	1 820	1 820
	Other	610	5 043
	Debtors overpayment Ctrs	618 148	690 353
	Accrued Income	8 479	6 352
		<u>1 011 989</u>	<u>1 120 964</u>
	Less Debtors Impairment (417 396 @ 9%)		<u>(34 464.00)</u>
		<u><u>1 011 989.39</u></u>	<u><u>1 086 500.25</u></u>

UMLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

06	Cash and Cash equivalent	2012	2011
	Petty Cash	2 436	187
	Current account: First National Bank Hluhluwe branch	46 863 925	41 735 505
	Call account : First National Bank Hluhluwe branch	894 391	870 963
	Money Market account : First National Bank Hluhluwe branch	1 193 620	1 148 462
	Money Market account : First National Bank Hluhluwe branch	675 440	650 173
	32 Days Notice account : First National Bank Hluhluwe branch	11 062 895	10 451 193
	32 Days Notice account : Standard Bank Empangeni branch	15 290	14 875
	32 Days Notice account : Ned Bank Richards Bay	24 915	23 877
		<u><u>69 732 912</u></u>	<u><u>54 895 236</u></u>

06.1	Current account (Primary Account)		
	First National Bank Hluhluwe branch - 62025236408		
	Cash book balance at beginning of year	-	41 735 505
	Cash book balance at end of year	<u>46 863 925</u>	<u>41 735 505</u>
	Bank statement balance at beginning of year		
	Bank statement balance at end of year		

	Call Account		
	First National Bank Hluhluwe branch - 62055161146		
	Cash book balance at beginning of year	-	870 963
	Cash book balance at end of year	<u>894 391</u>	<u>870 963</u>
	Bank statement balance at beginning of year	-	870 963
	Bank statement balance at end of year	<u>894 391</u>	-

	Call Account		
	First National Bank Hluhluwe branch - 62217154351		
	Cash book balance at beginning of year	-	1 148 462
	Cash book balance at end of year	<u>1 193 620</u>	-
	Bank statement balance at beginning of year	-	1 148 462
	Bank statement balance at end of year	<u>1 193 620</u>	-

	Call Account		
	First National Bank Hluhluwe branch - 62266899825		
	Cash book balance at beginning of year		
	Cash book balance at end of year	<u>675 440</u>	<u>650 173</u>
	Bank statement balance at beginning of year		
	Bank statement balance at end of year	<u>675 440</u>	<u>650 173</u>

	Call Account		
	First National Bank Hluhluwe branch - 74275256516		
	Cash book balance at beginning of year	-	
	Cash book balance at end of year	<u>11 062 895</u>	<u>10 451 193.31</u>
	Bank statement balance at beginning of year		
	Bank statement balance at end of year	<u>11 062 895</u>	<u>10 451 193</u>

	Call Account		
	Standard Bank - Empangeni Branch - 068824491		
	Cash book balance at beginning of year	-	14 875
	Cash book balance at end of year	<u>15 290</u>	<u>14 875</u>
	Bank statement balance at beginning of year		14 875
	Bank statement balance at end of year	<u>15 290</u>	-

	Call Account		
	Ned Bank - Richards Bay Branch - 28702097		
	Cash book balance at beginning of year	-	23 877.00
	Cash book balance at end of year	<u>24 915</u>	<u>23 877.00</u>
	Bank statement balance at beginning of year	-	23 877.00

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

Bank statement balance at end of year	24 915	•
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UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

07	Accumulated Surplus/Deficit	2012	2011
	Accumulated surplus (deficit) at the beginning of the year	83 337 484	61 081 673
	Operating surplus (deficit) for the year	56 274 890	22 255 812
	Grants used to purchase PPE		
	Appropriations for the year>		
	Donations and Public Government grant and Capitalisation Reserve Transfer to Accumulated Surplus		
	Prior year Adjustments		
	Accumulated Surplus / (deficit) before transfers	139 612 374	83 337 484
	Depreciation		-
	Accumulated surplus / (deficit) for the year	139 612 374	83 337 484

08	Long Term Liabilities	2012	2011
	Long term portion for long term liability	-	-

09	Trade and other Payables	2012	2011
	CREDITORS CONTROL	100	5 969 351
	PAY AS YOU EARN	7 666	1 981 245
	CREDITORS SUNDRY	2 801 064	
	ACCRUED EXPENSES	227 722	
	DEFERRED INCOME	20	
	PAYROLL - GARNISH	-	-
	PAYROLL - SUNDRY ACCOUNT	66 050	-
		-	-
	RETENTIONS	636 750	-
		3 739 373	7 950 596

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

10	Unspent Conditional Grants	2012	2011
	National Government Grants Capital		
	Municipal Infrastructure		
	Opening balance	10 117 188	2 648 316
	Add receipt during the year	19 908 000	16 238 000
	Less transfer to operating income	(18 561 976)	(8 669 123)
	Closing balance	11 473 212	10 117 188
	Department of Energy : Electricity		
	Opening balance	9 000 000	-
	Add receipt during the year	-	9 000 000
	Less transfer to operating income	(6 563 938)	-
	Closing balance	2 437 062	9 000 000.00
	National Government Grants Operating		
	Municipal Systems Improvement Grant		
	Opening balance	95 918	124 621
	Add receipt during the year	790 000	750 000
	Less transfer to operating income	(685 918)	(773 723)
	Closing balance	95 918	95 918
	Financial Management Grant		
	Opening balance	1 328 792	1 512 124
	Add receipt during the year	1 450 000	1 200 000
	Less transfer to operating income	(2 475 232)	(1 383 332)
	Closing balance	803 560	1 328 792
	Provincial Government Grants Capital		
	Project Consolidate Manguzi		
	Opening balance	665 669	665 669
	Add receipt during the year	700 000	-
	Less transfer to operating income	(442 249)	-
	Closing balance	919 420	665 669
	Department of Sport		
	Opening balance	809 868	809 868
	Add receipt during the year	150 000	-
	Less transfer to operating income	(848 149)	-
	Closing balance	111 719	809 868
	Project Consolidate Khqhimhazo		
	Opening balance	213 345	213 345
	Add receipt during the year	-	-
	Less transfer to operating income	(213 345)	-
	Closing balance	(0)	213 345
	Urban Development Grant		
	Opening balance	907 195	907 195
	Add receipt during the year	-	-
	Less transfer to operating income	-	-
	Closing balance	907 195	907 195

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012	2011
COGTA: Small town rehabilitation		
Opening balance	5 738 586	-
Add receipt during the year	1 000 000	6 500 000
Less transfer to operating income	(6 396 206)	(761 414)
Closing balance	<u>342 380</u>	<u>5 738 586</u>

Provincial Government Grants Operating

Spatial Development

Opening balance	43 000	43 000
Add receipt during the year	-	-
Less transfer to operating income	(43 000)	-
Closing balance	<u>-</u>	<u>43 000</u>

Library Grant

Opening balance	354 209	22 500
Add receipt during the year	1 502 193	1 415 807
Less transfer to operating income	(1 208 095)	(1 084 098)
Closing balance	<u>648 307</u>	<u>354 209</u>

Manzongwenya Project

Opening balance	7 500	7 500
Add receipt during the year	-	-
Less transfer to operating income	-	-
Closing balance	<u>7 500</u>	<u>7 500</u>

Phelandaba Development Grant

Opening balance	364 600	364 600
Add receipt during the year	-	-
Less transfer to operating income	(186 000)	-
Closing balance	<u>178 600</u>	<u>364 600</u>

Nhlange Lake Restaurant

Opening balance	5 600	5 600
Add receipt during the year	-	-
Less transfer to operating income	-	-
Closing balance	<u>5 600</u>	<u>5 600</u>

KwaTembe Concrete Project

Opening balance	86 111	86 111
Add receipt during the year	-	-
Less transfer to operating income	-	-
Closing balance	<u>86 111</u>	<u>86 111</u>

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012	2011
Municipal Assistance Programme		
Opening balance	564 486	758 263
Add receipt during the year	-	-
Less transfer to operating income	(213 319)	(193 777)
Closing balance	<u>251 168</u>	<u>564 486</u>
Mbazwana and Manguzi Hubs		
Opening balance	160 000	160 000
Add receipt during the year	-	-
Less transfer to operating income	-	-
Closing balance	<u>160 000</u>	<u>160 000</u>
COGTA: Ground Nuts		
Opening balance	1 476 381	-
Add receipt during the year	-	2 000 000
Less transfer to operating income	(1 476 381)	(523 619)
Closing balance	<u>-</u>	<u>1 476 381</u>
Land Use Management Grant		
Opening balance	100 000	100 000
Receipt during the year	-	-
Transfer to operating income	(100 000)	-
Closing balance	<u>-</u>	<u>100 000</u>
Grants from District Municipality		
DC 27 Shared Services		
Opening balance	-	208 880
Add receipt during the year	-	-
Less transfer to operating income	-	(208 880)
Closing balance	<u>-</u>	<u>-</u>
TOTAL UNSPENT GRANTS	<u>17 821 834</u>	<u>32 038 447</u>

11 Current Provisions		
Landfill Sites	1 455 742	2 255 354
Staff Leave provision	<u>578 767</u>	<u>898 247</u>
	<u>2 034 509</u>	<u>3 153 601</u>

12 Property Rates	2012	2011
The Valuation came into effect on:	01/07/2010	01/07/2010
Rebates		
Agricultural Properties	50%	75%
Pensioners	50%	75%
Public Benefit Organisation	50%	75%
Sporting Bodies	50%	75%
Developed residential properties Value of R 65 000 and less		

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012	2011
Rebate on Phasing in		
Business, commercial and Industries	50%	75%
Agricultural properties	50%	75%
State Trust Land	50%	75%
State owned properties	50%	75%
Public Infrastructure	50%	75%
Income for gone		
Residential properties		-
Actual Revenue Recognises		
Business, Commercial and Industrial	934 400	467 200
State owned properties	674 168	833 450
State trust Land	1 668 056	337 084
Agricultural	29 328	15 242
Total property rates	3 305 952	1 652 976
Valuations (01 July 2009 to 30 June 2013)		
Business, Commercial and Industrial	93 440 000	93 440 000
State owned properties	177 205 000	177 205 000
State trust Land	67 349 976	67 349 976
Agricultural	93 548 528	93 548 528
Total property Valuations	431 543 504	431 543 504
13 Interest earned - External Investments		
Banks	765 311	973 995
Investment	259 024	-
	1 024 335	973 995
14 Donation Received		
Donation received	-	104 386
	-	104 386
15 Fines, Licences and Permits		
Traffic Fines	113 750	41 900
Leams Licence income	1 574 315	1 100 850
	1 688 065	1 142 750
16 Government grants and Subsidies	2012	2011
Equitable Share	48 046 000	35 750 369
MIG	18 561 976	8 669 129
Financial Management Grant	2 475 232	1 383 332
Municipal Systems Improvement Grant	885 918	778 703
Electrification Grant	6 962 938	-
Land Use Management	100 000	-
Khigimbazo Project Consolidate	213 345	-
Spatial Development	43 000	-
Library Grant	1 208 095	1 084 088
Phelendaba Development	186 000	-
Municipal Assistant Programme	313 318	193 777
Project consolidated Mangazi Roads	446 249	-
Department of Sport (Sport Ground)	848 149	-
Small Town Rehabilitation	6 396 206	761 444.89
Ground Nuts	1 476 381	523 619.89
	87 752 897	49 144 441

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

17 Rental revenue and other revenues

	2012	2011
17.1 Other Revenue		
Library income	18 232	3 132
Tender Monies	53 158	25 239
Sundry income	217 989	847 987
	289 358	976 358

17.2 Rental Revenue		
IEC	22 232.40	20 344
Parkhomes	11 000.00	12 500
	33 232.40	32 844

18 Employee Related Cost

Remuneration to the Municipal Manager

Annual remuneration	747 271	514 160
Performance bonus	-	-
Re-imburse Travel	103 453	41 989
Cellphone allowance	20 400	15 300
Less cost included in other expenses	(131 300)	(41 989)
UI, Levies & sdi contribution	8 999	5 170
	748 817	535 630

Remuneration of the Chief Financial Officer

Annual Remuneration	505 340	384 957
Performance bonus	-	-
Re-imburse Travel	34 173	5 043
Cellphone allowance	9 900	5 500
Less cost included in other expenses	(49 149)	(5 043)
UI, Levies and Sdi contribution	6 622	3 232
	506 886	393 689

Remuneration of Director Corporate Services

Annual remuneration	-	244 462
Performance bonus	-	-
Re-imburse Travel	-	1 458
Cellphone allowance	-	5 500
Less cost included in other expenses	-	(1 458)
UI contribution	-	1 962
	-	251 924

Remuneration of Director Community Services

Annual remuneration	-	280 069
Performance bonus	-	-
Re-imburse Travel	-	1 638
Cellphone allowance	-	7 700
Less cost included in other expenses	-	(1 638)
UI contribution	-	3 837
	-	291 606

Remuneration of Director Technical Services

Annual remuneration	145 936	339 452
Performance bonus	-	-
Re-imburse Travel	8 032	-
Cellphone allowance	5 500	8 800
Less cost included in other expenses	(15 496)	-
UI contribution	2 609	4 609
	146 580	352 859

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

Remuneration of Staff Members		
Salaries and Wages	7 502 182	6 738 382
Travel Allowance	16 000	-
13th Cheque bonus	281 738	484 376
Overtime	141 394	20 789
Subsistence and Travelling	224 200	62 656
Contributions: UIF	62 953	121 869
: Group Life	218 008	114 997
: Medical Aid	266 943	227 027
: Pension	685 213	585 711
: Salga Levies	3 239	-
Less cost included in other expenses	(224 200)	(62 656)
	9 177 689	8 395 159
19 Remuneration of councillors		
Mayor's allowance	326 869	274 465
Deputy mayor's allowance	263 845	176 227
Speaker's allowance	263 845	217 962
Exco allowance	992 356	601 894
Councillors allowance	4 959 362	3 177 335
	6 756 237	4 447 883
20 Contracted Services and Depreciation		
Contracted Services		
20.1 Contracted Services	79 905	62 963
	79 905	62 963
20.2 Depreciation		
Property, Plant & Equipment	3 821 011	3 580 768
	3 821 011	3 580 768
21 Repairs and Maintenance		
Computers	20 904	41 126
Financial system	157 939	26 664
Buildings	97 350	52 243
Municipal accommodation	-	1 041
Municipal access roads	379 556	-
Vehicles	248 913	78 141
Civil and engineering	69 644	34 932
	971 296	234 152

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

22

Administration Expenses

Advertising	305 939	136 921
Committee expense	427 438	33 919
Entertainment and Function	27 885	-
Public participation	-	7 080
Audit committee Fees	348 417	147 605
External Audit	1 000 964	865 355
Internal Audit	560 779	337 502
Skills Development Levies	157 974	129 522
Substance and Travel	747 620	199 449
Cellphone expense	53 800	18 000
Bank Charges	45 350	20 905.00
Printing and Stationery	226 523	209 447.00
Interest Expense	64 440	59 547.00
Rental software	166 182	292 471.00
Financial Management	50 362	33 882
Property rates	23 239	20 685
Insurance	216 873	101 796
Legal Fees	1 044 472	1 026 544
Membership and Subscription	117 684	107 205
Postage and telephone	451 757	387 688
Tramps	166 580	120 551
office machine rental	65 806	103 358
Security	491 400	943 442
HR Systems Plan	-	54 702
Cleaning Expenses	9 325	50 212
Website	-	17 809
Water and Electricity	201 127	161 308
Map	-	169 980
PMU	1 373 867	61 782
Conferences	18 377	12 753
Uniform	19 095	475
Books/Periodicals	-	3 745
Refuse removal	97 537	135 660
Fuel and Oil	750 273	249 811.00
Travel costs	36 780	37 574.00
Spatial Development	345 756	-
Phelendaba Development	60 175	-
Marketing and advertising	154 801	-
Fixed asset expenses	116 946	-
Review of policies	288 750	-
Library Promotions	98 296	-
Disaster Management	49 343	-
Relocation cost	66 219	-
Card Production	91 561	81 148.00
IDP review	215 678	15 766.00
Settlement fees	-	349 647.00
Gazebo	-	95 000.00
Shared Services for Planners	-	460 768.00
Community Participation	443 630	81 160.00
Ground Hubs	2 401 045	39 192.00
Total	13 673 945	6 984 312

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

23	Capital Commitment	2012	2011
	Mangos Road	-	-
	Moroka Sport Field		808 888
	Municipal Council Chamber		3 970 002
	Mbazwana Town Services		7 136 923
	Traffic Station		1 922 565
	Mahlase Community Hall	-	55 744
	Bhekabantu Community Hall	-	263 216
	Electricity Project	2 437 062	9 000 000
	Total	2 437 062	23 156 318

24	Fruitless & Wasteful Expenditure		
	Reconciliation of fruitless and wasteful expenditure		
	Opening balance	5 472 925	5 472 925
	Fruitless and wasteful expenditure current year	-	-
	Condoned or written off by Council		
	Waiting for recovery	5 472 925	5 472 925

25	Reconciliation of irregular expenditure		
	Opening balance	11 933 747	10 380 889
	Irregular expenditure current year (Anderson and Vogt Project Manager)	-	730 484
	Irregular expenditure current year (Seethal Attorneys)		822 374
	Condoned or written off by Council	(1 952 858)	-
	Waiting for recovery	10 380 889	11 933 747

26 ADDITIONAL DISCLOSURE IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT

26.1 Audit Fees			
Opening balance	-		
Current year audit fees	1 095 864	868 356	
Amount paid	(1 095 864)	(868 356)	
Balance unpaid (included in payables)		-	

26.2 PAYE, UIF and SDL			
Opening balance	40 346.00	-	
Current year payroll deduction	3 415 064	2 501 930	
Amount paid- current year	(3 415 064)	(2 461 584)	
Balance unpaid (included in payables)	40 346.00	40 346.00	

26.3 Pension and Medical Aid Deductions			
Opening balance			
Current year payroll deduction and Council Contribution	952 156	1 208 819	
Amount paid - current year	(952 156)	(1 208 819)	
Balance unpaid (included in payables)	-	-	

26.4 Deviation for Supply Chain Management

Suppliers	Reason for deviation	2012		2011	
		Amount	R	Amount	R
Ensemble Trading	Fire was burning in the distribution board.			2 907.00	
Gijma Technologies	Software did not work as a result of Viruses .			17 992.00	
Amaleau Security Service	Contracted Security Company were suspended for investigation and municipal properties were to be secured. Amaleau security service were appointed on the temporary basis.			51 900.00	

27	Employee Benefits
	The Municipal employees belong to Natal Joint Municipal Pension Fund and Municipal Council Pension Fund, contributed amounts are paid over to the above mentioned Institutions, the Municipality has no contribution or liability after the Employee has left the Municipality.

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

28	Correction of prior period errors		
	The comparatives for 2012/2011 have been restated in respect of the following >		
	2012	2011	
	28.1 Error arising in accounting for unspent condition grant (MG)		
	Mig unspent grant as previously reported	-	-
	Differences between MG records Vs AFS 2007/08	-	-
	Musae Construction NOR exhausted	-	-
	Interest for sun set beach Trading	-	-
	Interest for sun set beach Trading	-	-
	Under claim from contractor Seatic Route	-	-
	Under claim from the contractor Musae Construction	-	-
	Ziyenoka Trading NOR exhausted	-	-
	KwaNgwenase road difference on expenditure claim	-	-
	Council chamber difference on expenditure claim	-	-
	Restated balance at 30 June 2010	-	-

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

28.2 Error arising in accounting for VAT	2012	2011
VAT as previously reported	-	-
Vat set off accumulated surplus	-	-
Restated balance at 30 June 2010	-	-

28.3 Error arising in accounting for Accrued Creditors		
Sundry creditors previously reported		
Lease rental July 2010	-	-
Mig Liability to constructors	-	-
Mig Liability to constructors	-	-
James Construction not provided on the creditors	-	-
Joziw not raised as creditor at year end 2010	-	-
Sita not raised as a creditor at year end 2010	-	-
Restated balance at 30 June 2010	-	-

28.4 Error arising in accounting for Accumulated depreciation		
Accumulated depreciation previously reported		
Back log depreciation	-	-
	-	-

29 FINANCE LEASE OBLIGATION

2012	Minimum lease payment R'000	Future finance charges R'000	Present value of minimum lease payments R'000
Amounts payable under finance leases			
Within one year	133 965	63 158	70 807
Within two to five years			215 842
Less: Amount due for settlement within 12 months (current portion)			286 649
			215 842
			70 807

The average lease term is 5 years and the average effective borrowing rate is 2.4%.

2011	Minimum lease payment R'000	Future finance charges R'000	Present value of minimum lease payments R'000
Amounts payable under finance leases			
Within one year			
Within two to five years	100 344	61 058	39 286
	331 540	138 463	195 077
Less: Amount due for settlement within 12 months (current portion)	431 884	187 620	234 364
			39 286
			195 077

The average lease term is 5 years and the average effective borrowing rate is 2%.

30	CONTINGENT LIABILITY	2012	2011
	The Municipality is involved in a civil case against Mangelé and Lufuhl. The council is contesting the claim based on the legal advice.		
			350 000.00

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

UMHLABUYALINGANA LOCAL MUNICIPALITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

31	Note to the cashflow statement	2012	2011
	Deficit for the year	56 274 890	22 255 812
	adjustment for		
	depreciation	3 580 768	914 427
	interest income	973 995	275 486
	finance cost	(1 607 108)	
	changes in working capital		
	inventory	-	
	Trade and other receivables	74 511	(232 530)
	Trade and Receivable from exchange transactions	(138 434)	
	consumer debtor		-
	vat receivable	(3 289 654)	(855 979)
	trade on other payable	(4 211 517)	4 136 751
	vat payable		
	unspent grant	(14 206 613)	(32 038 447)
	provisions	(777 612)	-
	taxes payable		
		36 673 376	(5 344 451)

UMHLABUYALINGANA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2012

	2012	Actual	R	2012	Budget	R	2012	Variance	%	Explanation of Significant Variance greater than 10 % versus Budget
REVENUE										
Property rates		3 305 952			3 057 180			248 772	8%	
Interest earned		1 473 335			1 315 023			158 312	12%	We made investment and with good interest rate
Donations received		-			-			-	0%	
Fines, licences and permits		1 688 065			1 656 662			31 403	2%	
Government grants and subsidies		87 752 807			96 429 468			-8 676 661	-9%	
Other revenue		289 358			18 250			271 108	1486%	More income generated that was not budgeted for
Rental revenue		33 232			41 248			-8 016	-19%	We estimated to receive rent from park homes there were vacant for long
		94 542 750						94 542 750		
Expenditure										
Employee related costs		10 579 952			12 203 333			-1 623 381	-13%	Director Technincal and Corporate were not appointed in time
Councillor remunerations		6 756 297			6 880 579			-124 282	-2%	
Contracted Services		78 905			95 000			-16 095	-17%	We over budgeted using the incremental basis
Depreciation		3 821 011			-			3 821 011	0%	
Repairs and maintenance		971 206			1 158 455			-187 249	-16%	There was proper management of asset and municipal asset are not too old
Bad Debt		1 377 758						1 377 758	0%	
Leave provision		84 639						84 639	0%	
Administration and other expenses		13 673 945			15 383 522			-1 709 577	-11%	Cost of goods did not increase as per expected inflation rate
		37 343 713			35 720 889			1 622 824		
		57 199 037			-35 720 889			92 919 926		

UMHLABUYALINGANA MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
ACTUAL VERSUS BUDGET - ACQUISITION OF PROPERTY PLANT AND EQUIPMENT
FOR THE YEAR ENDED 30 JUNE 2012

DEPARTMENT	2012 Actual	2012 Under Construction	2012 Total Additions	2012 Budget	2012 Variance	2012 Variance %	Explanation of Significant Variance Greater than 10% versus Budget
	R	R	R	R	R	%	
Financial Services	403 239	-	403 239	-	(403 239)	#DIV/0!	
Other	4 209 064	-	4 209 064	-	(4 209 064)	#DIV/0!	
Community Services	547 238	-	547 238	-	(547 238)	#DIV/0!	
Traffic Services	1 978 737	-	1 978 737	-	(1 978 737)	#DIV/0!	
Planning & Development	18 720 814	-	18 720 814	-	(18 720 814)	#DIV/0!	
Electricity	6 177 173	-	6 177 173	-	(6 177 173)	#DIV/0!	
	27 423 963	-	32 036 266	-	(32 036 266)		

UMHLABUYALINGANA LOCAL MUNICIPALITY

Appendix A

Schedule of External Loans as at 30 June 2012

External Loans	Loan Number	Redemption Date	Balance at 30/06/2010	Lease obligation initiated	Redeemed/ written off during the	Interest	Balance at 30/06/2010
	-	-	-	-	-		-
Finance Lease Liability	Africio MPC6000 Copier	2015/01/03	155 306	-	55 644	35 960	135 622
Finance Lease Liability	Siemens PABX HIPATH 3550	2015/01/06	-	114 035	38 880	23 587	98 742
	Photo Copier Machine	2011/01/07					
	Photo Copier Machine						
TOTAL EXTERNAL LOANS			155 306	114 035	94 524	59 547	234 364

UMHLABUYALINGANA LOCAL MUNICIPALITY

Appendix B

Analysis of Property Plant and Equipment as at 30 June 2012

Description	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Imparement	Closing Balance	
Land and Buildings										
Land										
Buildings										
Infrastructure										
Municipal Roads										
Water Supply & Reculation										
Asset Under Construction										
Sport Grounds										
Other										
Plant and Equipment										
Financed Leased Assets										
Vehicles										
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	68

Umhlabuyalingana Local Municipality
Appendix C
Segmental Analysis of Property Plant and Equipment as at 30 June 2012

Description	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Imparement	Closing Balance	
Technical										
Finance and Admin										
Community and Social Services										
Total	-	-	-	-	-	-	-	-	-	

UMHLABUYALINGANA LOCAL MUNICIPALITY
APPENDIX D
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

Actual Income 2012	Actual expenditure 2012	Surplus / (Deficit) 2012		Actual Income 2011	Actual expenditure 2011	Surplus / (Deficit) 2011
R	R	R		R	R	R
95 362 364	37 376 688	57 985 676	Departments	53 927 751	25 863 366	28 064 385
-	7 202 915	(7 202 915)	Executive & Council	-	4 536 567	(4 536 567)
48 046 000	4 391 564	43 654 436	Management	36 428 051	2 958 910	33 469 141
9 577 727	8 251 791	1 325 937	Finance	5 315 558	6 508 939	(1 193 381)
-	4 421 726	(4 421 726)	Corporate Services	-	4 600 182	(4 600 182)
26 951 657	4 721 094	22 230 563	Technical	8 669 129	2 271 835	6 397 294
1 688 065	1 771 344	(83 279)	Traffic Department	1 142 750	902 819	-
1 226 327	1 092 613	133 714	Library	1 087 231	949 210	138 021
-	2 709 226	(2 709 226)	Community Services	-	2 415 186	(2 415 186)
7 872 588	2 814 416	5 058 172	Local Economic Development	1 285 032	719 718	565 314
-	-	-	Subsidised Services	-	-	-
-	-	-	Economic Services	-	-	-
-	-	-	Trading Services	-	-	-
95 362 364	37 376 688	-	Total	53 927 751	25 863 366	28 064 385